

ENCLOSE

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Department of State

TELEGRAM

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ACTION ES-03

INFO OCT-01 SS-14 ADP-00 AF-04 NSC-10 NSCE-00 SSO-00

SCEM-01 L-02 PM-03 CIAE-00 INR-10 NSAE-00 RSC-01

INRE-00 OMB-01 COME-00 TRSE-00 CIEP-01 PRS-01 DODE-00

EUR-10 RSR-01 /063 W

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FM AMEMBASSY TRIPOLI

TO SECSTATE WASHDC 0417 IMMEDIATE

INFO AMEMBASSY LONDON

C O N F I D E N T I A L TRIPOLI 1052

LIMDIS

E.O. 11652: GDS

TAGS: ENRG, LY

SUBJ: OXY NATIONALIZATION/NEGOTIATIONS WITH
OTHER COMPANIES

1. INDUSTRY SOURCES HERE PROVIDED US WITH UPDATED
INFORMATION ON THE OXY/LARG AGREEMENT BY WHICH OXY
ACQUIESCED TO 51 PERCENT NATIONALIZATION OF OXY'S
CONCESSIONS.

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY of

DATE 12/20/82

RDS ☐ or XDS ☐ EXT. DATE

TS AUTH.

REASON(S)

ENCLOSURE DISTRICT MARKINGS ☐

DECLASSIFIED ☐ RELEASABLE ☐

RELEASE DATE WIN PART

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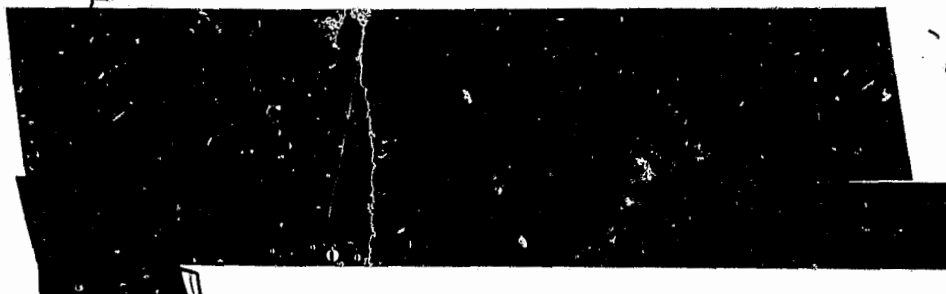
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SPEED WITH WHICH
OXY CAME TO AGREEMENT, PLUS THE LACK OF ANY MAJOR
BENEFITS TO OXY APART FROM CASH COMPENSATION, ARE
GENERATING SUSPICION IN INDUSTRY THAT OXY MADE SOME KIND
OF PRIVATE DEAL WITH LARG.



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4. DAVIS WAS ALSO CALLED FOR TALKS WITH JALLUD AND

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MABRUK AUGUST 12, AND ASKED TO ACQUIESCE
TO 51 PERCENT NATIONALIZATION.



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5. INDUSTRY SOURCES EXPECT OASIS, LESS THE SHELL
PARTNER, WILL COME TO AGREEMENT VERY SHORTLY. THE
MAJORS (AMOSEAS AND THE SHELL PARTNER IN OASIS) ARE
ANOTHER MATTER. THE INDUSTRY HERE APPEARS UNSURE OF
THEIR FINAL DECISION. SHELL MAY DECIDE TO SELL ITS
OASIS INTEREST BACK TO AMERADA, THEREBY AVOIDING

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AGREEMENT TO LARG TERMS WHICH WOULD HAVE ONEROUS CONSEQUENCES IF IMPOSED ON SHELL BY OTHER PRODUCING COUNTRIES WHERE SHELL HAS MAJOR INTERESTS.

6. [REDACTED] SAYS HE BELIEVES ALL THIS MAY BE STRAW WHICH BREAKS THE CAMEL'S BACK FOR TEXACO AND CHEVRON IN LIBYA. HE ALLOWS, HOWEVER, THAT HE DID NOT THINK IT WOULD HAVE BEEN POSSIBLE FOR THE MAJORS TO LIVE WITH LARG'S 1970 DEMANDS. HE HAS ALSO EXPRESSED A THOUGHT WHICH MUST NOW BE WEIGHING HEAVILY ON THE MINDS OF TEXACO, CHEVRON AND SHELL EXECUTIVES: "WE HAVE AN AWFUL LOT HERE TO WALK AWAY FROM."
JOSIF

B1.7

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